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NEW NUMB202

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

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RECORDATION NO. 1 5883
FILED 1225

OCT 19 1988 12 25 PM

October 19, 1988

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

No. 8-293A100
Date OCT 19 1988
Fee \$ 13⁰⁰

Dear Ms. McGee:

ICC Washington, D.C.

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two fully executed copies of a Master Equipment Lease Agreement dated as of September 22, 1988, together with Lease Schedule Nos. 801 through 805 attached thereto, a primary document as defined in the Commission's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Pitney Bowes Credit Corporation
201 Merritt Seven
Norwalk, Connecticut 06856-5151

Lessee: Mississippi Power Company
2992 West Beach
Gulfport, Mississippi 39501

A description of the railroad equipment covered by the enclosed document is:

Four hundred ninety-five (495) Trinity Quick Dump Aluminum Coal Hopper Cars bearing DEGX reporting marks and road numbers 88001 through 88495, both inclusive.

Also enclosed is a check in the amount of \$13 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Counterpart - CT. Kappler


Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
October 19, 1988
Page Two

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Master Equipment Lease Agreement dated as of September 22, 1988 between Pitney Bowes Credit Corporation, Lessor, and Mississippi Power Company, Lessee, covering 495 Coal Hopper Cars bearing DEGX 88001 through DEGX 88495, both inclusive.

Very truly yours,


Charles T. Kappler

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.
Alvord & Alvord
918 16th Street N.W.
Washington, D.C. 20006

10/19/88

Dear Sir

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/19/88 at 12:25PM, and assigned recordation number(s). 15883 Lead & 3382-GG

Sincerely yours,

Nesta L. McEwen
Secretary

Enclosure(s)

1 5883
RECORDATION NO. _____ FILED 1988

OCT 19 1988 12 45 PM

INTERSTATE COMMERCE COMMISSION

MASTER EQUIPMENT LEASE AGREEMENT

Dated as of September 22, 1988

Between Pitney Bowes Credit Corporation

LESSOR

and

Mississippi Power Company

LESSEE

Filed and recorded with the
Interstate Commerce Commission
on _____, at _____ and
given Recordation No. _____

MASTER EQUIPMENT LEASE AGREEMENT

Lease Agreement made this 22nd day of September, 1988, between PITNEY BOWES CREDIT CORPORATION ("Lessor") with a place of business located at 201 Merritt Seven, Norwalk, Connecticut 06856-5151 and MISSISSIPPI POWER COMPANY ("Lessee") having its principal place of business located at 2992 West Beach, Gulfport, Mississippi 39501.

1. **LEASE AGREEMENT:** Lessor hereby leases to Lessee and Lessee hereby leases from Lessor all the railroad equipment described in Schedule "A" hereto ("Equipment"), upon the terms and conditions set forth in this Lease. Not later than the acceptance date for any items of the Equipment, Lessor and Lessee shall execute a Lease Schedule with respect to such items substantially in the form of Schedule "B" hereto, with blanks appropriately filled in. All of the terms and conditions of this Lease, including the Schedules hereto, shall govern the rights and obligations of Lessor and Lessee except as specifically modified in writing. Whenever reference is made herein to "this Lease" it shall be deemed to include each of the various Schedules hereto, and the terms and conditions of which are incorporated herein by reference.

2. **CONDITIONS PRECEDENT:** The obligation of Lessor to lease any of the Equipment to Lessee hereunder shall be subject, on or as

of the acceptance date for such Equipment, to (i) Lessee's acceptance of such Equipment, as evidenced by Lessor's receipt of an acceptance certificate substantially in the form of Schedule "D" hereto; (ii) Lessee's execution and delivery, at Lessee's expense, of such documents as Lessor may reasonably deem to be necessary or desirable (each in form and substance satisfactory to Lessor), including, without limitation, an opinion of Lessee's counsel, a certificate(s) of officers of Lessee, Uniform Commercial Code financing statements and other filings and publications as may be appropriate with respect to Lessor's interest in the Equipment including filings with the United States Interstate Commerce Commission; (iii) there not having occurred, since the date of the most recent financial statements for Lessee and prior to the date of this Lease, any material adverse change in the financial condition of Lessee or in Lessee's ability to perform its obligations hereunder; and (iv) Lessee's representations and warranties contained in this Lease being true and accurate in material respects as if made on and as of such date, and Lessee's having performed and complied with in material respects all of its covenants and obligations hereunder. Lessor hereby appoints Lessee its agent and attorney-in-fact for inspection and acceptance of the Equipment.

The obligation of Lessee to lease any of the Equipment from Lessor hereunder shall be subject, on or as of the acceptance date for such Equipment, to (i) Lessor's having performed and complied with in material respects all of its covenants and obligations relating to the sale by Lessee and Gulf Power Company of certain

railroad cars pursuant to that certain Agreement of Purchase and Sale of even date herewith, between Lessee and Gulf Power Company (as Sellers) and Lessor (as Purchaser) (it being understood that any default by Lessor with respect to such covenants and obligations shall not affect Lessee's obligation relating to Equipment accepted by Lessee hereunder); and (ii) Lessor's having performed and complied with in material respects all of its covenants and obligations hereunder.

3. **TERM:** The obligations under this Lease shall commence upon the written acceptance thereof by Lessor and shall end upon full performance and observance of each and every term, condition and covenant set forth in this Lease, each Schedule thereto and any extensions thereof. The rental term of each item of the Equipment shall commence on the date of delivery and acceptance of such item by Lessee and shall terminate on the last day of the term stated in the Lease Schedule applicable thereto, subject to the rights and options granted to Lessee hereunder.

4. **RENTAL PAYMENTS:** The rent for the Equipment shall be due and payable as set forth in the applicable Lease Schedule. Such rent shall be payable at the office of Lessor, 201 Merritt Seven, Norwalk, Connecticut 06856-5151 or at such other office as Lessor may otherwise designate by notice in writing to Lessee. The receipt of any check or other item on account of any rental payment will not be considered as payment thereof until such check or other item is honored when presented for payment (it being understood, however, that no interest shall be payable with respect to the amount of any

check or other item unless the same is dishonored when presented for payment).

5. **DELIVERY AND INSTALLATION:** Effective as of the date of this Lease, Lessor has accepted an assignment of a purchase order with respect to the Equipment, and Lessor hereby agrees to perform timely all of its covenants and obligations thereunder. Lessor shall have no liability for any failure by the supplier to fill the purchase order or meet the conditions thereof. Lessee at its expense, will pay all transportation, packing, taxes, duties, insurance, installation, testing and other charges in connection with the delivery, installation and use of the Equipment to the extent the same are not included in the purchase price for the Equipment.

6. **WARRANTIES:** LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENT OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS. Lessee accordingly agrees not to assert any claim against Lessor based upon the foregoing risks. Lessor shall have no obligation to install, erect, test, adjust, service, or maintain the Equipment. Lessee shall look to the manufacturer and/or seller for any claims related to the Equipment.

Lessor hereby acknowledges that any manufacturer's and/or seller's warranties are for the benefit of both Lessor and Lessee, and Lessor hereby appoints and constitutes Lessee its agent and attorney-in-fact, as long as no Event of Default has occurred and is continuing under this Lease, to assert and enforce from time to time whatever claims and rights Lessor may have with respect to the Equipment. NOTWITHSTANDING THE FOREGOING, LESSEE'S OBLIGATIONS TO PAY THE RENTALS OR OTHERWISE UNDER THIS LEASE SHALL BE AND ARE ABSOLUTE AND UNCONDITIONAL EXCEPT AS PROVIDED IN PARAGRAPH 30, "LESSEE'S QUIET ENJOYMENT".

7. **TITLE TO AND LOCATION OF EQUIPMENT:** Title to each item of Equipment leased hereunder shall remain with the Lessor at all times and the Lessee shall have no right, title or interest therein except as expressly set forth in this Lease. Lessee, at its expense, will protect and defend Lessor's title to the Equipment and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes except for those created by, through or under Lessor, its successors or assigns. Lessor assumes no liability and makes no representation as to the treatment by Lessee of this Lease, the Equipment or the rental payments for financial statement or tax purposes.

All items of Equipment shall at all times be and remain personal property notwithstanding that any such Equipment may now or hereafter be affixed to realty. The Lessor shall be permitted to display notice of its ownership of the Equipment by affixing to each item of Equipment an identifying stencil or plate or any other

indicia of ownership reasonably required to protect its interest and Lessee will not alter, deface, cover or remove such ownership identification except as required in the course of repairs or maintenance (after the completion of which repairs or maintenance, such ownership identification to be affixed as aforesaid).

8. **USE OF EQUIPMENT, INSPECTION AND REPORTS:** Lessee may possess and use the Equipment in accordance with this Lease, provided that any such use is in conformity with all applicable laws, any insurance policies, and any warranties of the manufacturer with respect to the Equipment. Lessor shall have the right, upon reasonable prior notice to the Lessee and during the Lessee's regular business hours, to inspect the Equipment at the premises of the Lessee or to the extent reasonable wherever the Equipment may be located. Lessee shall promptly notify Lessor of all details arising out of any alleged encumbrances on the Equipment or any accident which may result in a claim against the Lessor allegedly resulting from the use or operation thereof.

9. **OPERATING RULES AND REGULATIONS:** Lessee agrees to comply with all local, state and Federal governmental laws, regulations and requirements relating to the operation and/or use of the Equipment, including the Interchange Rules and all other rules of the Association of American Railroads (or any successor thereto) and the Interstate Commerce Commission. In case any Equipment or appliance on any Equipment shall be required to be changed or replaced, or any additional or other equipment or appliance is required to be installed on such Equipment in order to comply with such laws,

regulations, requirements and rules, Lessee agrees to make such changes, additions and replacements at its own expense and title thereto shall be immediately vested in Lessor. Notwithstanding the foregoing, Lessee may in good faith contest the validity or application of any such laws, regulations, requirements and rules in any manner which does not adversely affect the property or rights of the Lessor hereunder.

10. **FURTHER ASSURANCES:** Lessee shall execute and deliver to Lessor upon Lessor's request such instruments and assurances as Lessor in the reasonable exercise of its discretion deems necessary for the confirmation or perfection of this Lease and Lessor's rights hereunder. In furtherance thereof, Lessor may file or record this Lease or a "short form" memorandum thereof or a financing statement with respect thereto so as to give notice to any interested parties. The Lessor is authorized to file a financing statement concerning the Equipment signed only by the Lessor in accordance with the Uniform Commercial Code or one signed by Lessor as Lessee's attorney-in-fact. Any such filing or recording shall not be deemed evidence of any intent to create a security interest under the Uniform Commercial Code. Lessor, at Lessee's expense, will cause this Lease to be filed in accordance with 49 U.S.C. § 11303(a) with the Interstate Commerce Commission.

11. **RISKS OF LOSS:** All risk of loss, damage, theft or destruction to each item of Equipment shall be borne by the Lessee. No such loss, damage, theft or destruction of the Equipment, in whole or in part, shall impair the obligations of Lessee under this

Lease all of which shall continue in full force and effect except as provided herein and Lessee, at its option, shall either (a) place the affected Equipment in good repair, condition and working order; (b) replace the affected Equipment with other equipment of substantially equal value and utility by transferring such other equipment to Lessor for lease hereunder; or (c) pay the Lessor the amount covering such affected Equipment set forth in Schedule "C" hereto (Stipulated Loss and Termination Values), less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss, damage, theft or destruction (upon the payment of which amount, together with any rent then due and owing with respect to the affected Equipment, Lessee's rental obligation under this Lease as to the affected Equipment shall terminate). After compliance with the foregoing to Lessor's reasonable satisfaction and provided Lessee is not in default under this Lease, Lessee shall be subrogated to Lessor's rights with respect to any insurance policies or claims for reimbursement by others with respect to such loss, damage, theft or destruction.

12. INSURANCE:

a. Public Liability and Property Damage Insurance.

Lessee represents and warrants that it will maintain in effect, at its own expense, public liability insurance and such other property damage insurance (exclusive of manufacturer's product liability insurance) with respect to the Equipment at least in amounts and against risks customarily insured against by prudent industry practice. All insurance provided for in this Paragraph 12 shall be

effected with insurance companies similar to those insurers who customarily provide public liability insurance to Lessee's industry.

b. Insurance Against Loss or Damage to Equipment.

Lessee represents and warrants that it will obtain all-risk insurance covering the Equipment including fire and explosion, and lightning and electrical damage, provided that such insurance shall at all times while the Equipment is subject to this Lease be for an amount which, when paid, will be not less than the Stipulated Loss Value for the Equipment from time to time.

c. Lessor as Additional Insured; Notice. Any policies of insurance carried in accordance with this Paragraph 12 and any policies taken out in substitution or replacement for any such policies (i) shall be amended to name Lessor, as owner of the Equipment, as additional named insured thereunder, and (ii) with respect to insurance carried in accordance with paragraph (b) covering the Equipment shall be made payable to Lessor as loss payee. Lessee shall furnish certificates to Lessor as proof of such insurance and shall provide for at least thirty (30) days' written notice of cancellation to Lessor.

Notwithstanding the foregoing, it is understood and agreed that Lessor shall be entitled to retain any insurance proceeds upon loss, damage, theft or destruction of Equipment only in the event Lessee determines to pay Lessor the Stipulated Loss Values with respect thereto as provided in Paragraph 11 hereof and only up to the amount of such Stipulated Loss Values. In any other case any insurance proceeds received by Lessor upon loss, damage, theft or destruction of Equipment shall be forthwith paid to Lessee.

d. Right to Self-Insure. Notwithstanding the foregoing provisions of this Paragraph 12, it is understood and agreed that Lessee may self-insure, on a per occurrence basis, up to \$5,000,000 in the aggregate in respect of its public liability insurance and all-risk property damage insurance.

13. **EXPENSES, FEES AND TAXES:** In addition to the rental payments required under this Lease, Lessee shall pay promptly when due all costs, expenses, fees, charges and taxes (including sales, use, excise, personal property, ad valorem, stamp documentary) incurred in connection with the titling, licensing, registration, use, rental, shipment, transportation, delivery, purchase, ownership or operation of the Equipment, and on or relating to this Lease and any Schedule, to the extent the same are not included in the purchase price actually paid by Lessor for the Equipment. In case any report or return is required to be filed with respect to any such taxes as aforesaid, Lessee will, to the extent legally permissible, file such report or return or notify Lessor in writing to the extent Lessor must file such report or return in sufficient time for Lessor to make such filing of the required report or return. All reports and returns filed by Lessee will be in Lessee's name and account number. To the extent reasonably requested by Lessor, Lessee will promptly supply Lessor a copy of such reports or returns.

If Lessee should fail to pay any of the costs, expenses, fees, charges and taxes for which Lessee is liable hereunder, Lessor may, but shall not be required to, pay the same for the account of Lessee. Lessee shall reimburse Lessor, upon demand, as additional

rental hereunder, for the full amount of any costs, expenses, taxes or other charges paid by Lessor which constitute an obligation of Lessee hereunder.

Notwithstanding the foregoing or any other provision of this Lease (except only to the extent provided otherwise in Paragraph 32 hereof), Lessee shall have no responsibility, liability or obligation for any taxes, penalties or other obligations which are based on, measured by or attributable to the net income of Lessor, taxes, penalties or other obligations imposed on or for the account of Lessor that result in whole or in part from the gross negligence or willful misconduct of Lessor or costs, expenses, fees, charges or taxes imposed with respect to any period, or with respect to any act or omission, occurring after the expiration or other termination of this Lease or an assignment by Lessee pursuant to Paragraph 20 hereof.

14. LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATIONS: If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Equipment, Lessor may (at its option) perform any act or make any payment which Lessor deems necessary for the maintenance and preservation of the Equipment and Lessor's title thereto, including payments for satisfaction of liens, repairs, taxes, levies and insurance and all sums so paid or incurred by Lessor, together with interest as provided below, and any reasonable legal fees incurred by Lessor in connection therewith shall be additional rent under this Lease and payable by Lessee to Lessor on

demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of the Lessee.

15. **LATE CHARGES:** Should Lessee fail to duly pay any part of any Rental Payment or other sum to be paid to Lessor under this Lease, then Lessee shall pay interest on such delinquent payment from the due date until paid at a rate of 2% over the then prevailing Chase Manhattan Bank, N.A. Prime Rate per annum not to exceed the highest legal contract rate of interest allowed by applicable law; provided, that if any payment date provided in this Lease is not a business day the payment otherwise payable on such date shall then be payable on the next succeeding business day, and no interest shall be payable for the period from and after the nominal date for payment thereof to such next succeeding business day.

16. **INDEMNIFICATION:** Lessee assumes liability for, and hereby agrees to indemnify, protect and keep harmless Lessor, its agents, employees, officers, directors, successors and assigns from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees, of whatsoever kind and nature, arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, selection, delivery, leasing or return of any item of Equipment, regardless of where, how and by whom operated, or any failure on the part of Lessee to perform or comply with any conditions of this Lease; provided, however, the

foregoing shall not include matters resulting from the gross negligence or willful misconduct of Lessor or its agents, employees, officers, directors, successors or assigns; matters arising from acts or events that occur after expiration or other termination of this Lease or an assignment by Lessee pursuant to Paragraph 20 hereof; matters resulting from a material breach of any representation, warranty or covenant made by Lessor herein; or transaction costs that the Lessee has not agreed to pay; and provided, further, that Lessee's liability hereunder for taxes, penalties and related obligations shall be governed exclusively by Paragraphs 13 and 32 hereof. Except as otherwise expressly provided in this Lease, Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate any item of Equipment so as to incur or impose any liability or obligation for or on behalf of Lessor.

The obligations of Lessee under this Paragraph 16 shall survive the expiration or other termination of this Lease.

17. NO OFFSET: This Lease is a net lease and all Rental Payments shall be paid when due by Lessee irrespective of any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, the supplier of the Equipment, or any other party except for the right of offset to the extent that Lessee's right of quiet enjoyment is interrupted as provided for under Paragraph 30, "Lessee's Quiet Enjoyment".

18. PURCHASE OPTION: Provided that Lessee is not in default under this Lease, Lessee shall have the right at any time or from

time to time, after the third anniversary of the commencement of the rental term hereunder and upon not less than 120 days' prior written notice to Lessor, to purchase all of the Equipment described in any Lease Schedule. The purchase price shall be equal to the greater of the applicable Termination Value set forth in Schedule "C" hereto or the Fair Market Value ("FMV") for the Equipment Lessee elects to purchase. The FMV shall be determined on the basis of, and shall be equal in amount to, the value which one would obtain in an arm's-length transaction between an informed and willing buyer-user (other than a lessee currently in possession and a used equipment dealer) and an informed and willing seller under no compulsion to sell and, in such determination, costs of removal of Equipment from its location of current use shall not be a deduction from such value. In the event Lessee purchases Equipment, Lessee shall be responsible for all applicable sales tax and other taxes resulting from such purchase, other than taxes which are based on, measured by or attributable to the net income of Lessor. In the event the FMV is not agreed upon by Lessee and Lessor, it shall be determined by the average of three (3) independent appraisals by parties which shall include two parties individually, one selected by Lessee and one selected by Lessor, and a third mutually selected by Lessee and Lessor (or, if Lessee and Lessor cannot agree on such third party, selected by the two parties selected by Lessee and Lessor), the engagement of such third party to be at Lessee's expense. Lessee shall have the right to choose not to purchase the Equipment after determination of FMV, and in the event Lessee so chooses Lessee

shall provide Lessor with at least 60 days' written notice that Lessee has rescinded the election to purchase and the Lease shall continue in full force and effect from the date of such notice at its then prevailing rent.

In the event Lessee elects to purchase any Equipment pursuant to the foregoing provisions, upon payment of the purchase price therefor Lessor, its successors or assigns (as appropriate) shall execute and deliver to Lessee, or Lessee's assignee or nominee, a bill of sale (without recourse or warranty to Lessor) for such Equipment in form and substance reasonably satisfactory to Lessee such as will transfer to Lessee, its assignee or nominee title to such Equipment free and clear of all liens, security interests and other encumbrances whatsoever arising through, by or under Lessor, its successors and assigns.

19. **RENEWAL:** Lessee may, at its option, renew the lease term for all of the Equipment described in any Lease Schedule by giving Lessor written notice not earlier than 270 days nor less than 180 days before the expiration of the original term or the anniversary date of any prior renewal thereof, and by paying to Lessor when due the amount equal to the Fair Market Rental Value determined as set forth below, provided that such renewal option is not exercisable if Lessee is in default under this Lease or has notified Lessor of its intent to purchase the Equipment (and has not rescinded the same) under Paragraph 18 of this Lease. Upon such notification, the lease term covering the applicable Equipment shall be renewed for any combination of whole years up to eight (8) years, at Lessee's

option, at the Fair Market Rental Value, but the other provisions and conditions of this Lease shall continue unchanged with respect to such Equipment. In the event the Fair Market Rental Value is not agreed upon by Lessee and Lessor, it shall be determined by the average of three (3) independent appraisals by parties which shall include two parties -- one selected by Lessee and one selected by Lessor and a third mutually selected by Lessee and Lessor (or, if Lessee and Lessor cannot agree on such third party, selected by the two parties selected by Lessee and Lessor), the engagement of such third party to be at Lessee's expense.

20. **SUBLEASE OR ASSIGNMENT BY LESSEE:** Lessee may not, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of this Lease or any interest therein or sublet or lend the Equipment or permit same to be used by anyone other than Lessee or Lessee's employees or agents except as hereinafter provided.

A. Sublease: Without the consent or approval of Lessor, Lessee may sublease all or part of the Equipment during the term hereof provided:

1. Lessee is not in default under the terms of this Lease.
2. Such sublease is subject and subordinate to the terms of this Lease.
3. Lessee and sublessee execute documentation which Lessor deems reasonably necessary to protect Lessor's interest in the Equipment and the Lease.

4. The term of such sublease does not extend beyond the term of this Lease or any subsequent renewal thereof.

and

5. Lessee remains primarily liable for all the terms and conditions of this Lease.

B. Assignment: Without the consent or approval of Lessor, Lessee may assign all or part of its rights and obligations with respect to the Equipment during the term hereof (including any renewal term) without recourse to the Lessee provided:

1. Lessee is not in default under the terms of this Lease.
2. Assignee agrees to be bound by all terms and conditions of this Lease.
3. Lessee must assign its rights and obligations with respect to no less than all of the Equipment described in any Lease Schedule.
4. The assignee must, at the time of assignment, have debt rated by Moody's Investor Service or Standard & Poor's of "A3" or "A-", respectively, or better, or otherwise have a rating by a nationally recognized rating agency (such agency to be mutually agreed upon by Lessor and Lessee) substantially equivalent to or better than Lessee's at the date of this Lease.
5. Assignee must assume all obligations of Lessee under this Lease with respect to the applicable Equipment.

6. Lessee must notify Lessor in writing no less than 30 days prior to such assignment.
7. Prior to the assignment Lessor is to receive documentation, including but not limited to the assignment, ICC filings and UCC filings, which is reasonably satisfactory in form and substance to Lessor and its counsel.
8. Lessor shall receive a \$2,500.00 fee from Lessee for each assignment.
9. Lessor receives insurance coverage from assignee satisfactory to Lessor in accordance with the terms of this Lease.

It is agreed that the foregoing provisions respecting assignment shall inure only to the benefit of Lessee and any affiliate (including any entity of which more than 10% of the voting power represented by its outstanding securities is owned, directly or indirectly, by The Southern Company or its successor) that is a permitted assignee hereunder.

Except as aforesaid, Lessee may sublease, assign or otherwise dispose of this Lease, the Equipment or any interest therein only with the prior consent of Lessor.

21. **ASSIGNMENT BY LESSOR:** For the purpose of providing funds for financing the purchase of the Equipment, or for any other purpose, Lessee agrees (a) that Lessor may assign, sell or encumber all or any other part of this Lease, the Equipment and the rental payments hereunder and (b) in the event of any such assignment of

rental payments hereunder and written notice thereof from Lessor to Lessee, to unconditionally pay directly to any such assignee (subject to Lessee's rights under Paragraphs 17 and 30 hereof) all rentals and other sums due or to become due under this Lease and (c) that the Equipment leased hereunder may be mortgaged by Lessor under a chattel mortgage. In any such event, the right, title and interest of the mortgagee under any such chattel mortgage shall by express terms of such chattel mortgage be subject to the rights and leasehold interest of Lessee in and to the Equipment arising hereunder. THE RIGHTS OF ANY SUCH ASSIGNEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM OR SET OFF WHICH LESSEE MAY HAVE AGAINST THE LESSOR EXCEPT FOR THE DEFENSE OF PAYMENT AND SETOFFS RELATED TO INTERRUPTION OF QUIET ENJOYMENT. Notwithstanding the foregoing, any such assignment (a) shall be subject to Lessee's right to possess and use the Equipment so long as Lessee is not in default under this Lease and Lessee's other rights and options hereunder, (b) shall not release any of Lessor's obligations hereunder or any claim which Lessee has against Lessor, and (c) shall not defeat or diminish by operation of law or otherwise any right of Lessee under this Lease, render any obligation of Lessee under this Lease more burdensome, or subject Lessee to any additional liability hereunder. Lessor agrees that no such assignment, conveyance or transfer shall knowingly be made to any affiliate of Lessee or to any entity other than a bank, insurance company or other financial institution, without Lessee's prior written consent.

22. **MAINTENANCE, REPAIRS AND RETURN OF EQUIPMENT:** Lessee shall, at no expense to Lessor, maintain the Equipment in good repair and operating condition (ordinary wear and tear excepted) so that the Equipment complies with the applicable interchange standards set for such Equipment by the Association of American Railroads ("AAR"), the Equipment is in good operating order by industry standards and fit for the purposes for which it was designed, and satisfies the tests described below:

a. All damaged or broken parts will be repaired according to AAR specifications;

b. Exterior sides will be free of rust and corrosion, except for minor surface rust, and will be painted according to a standard paint scheme, free of any and all advertising and notices other than receiving numbers and Lessee's corporate identification;

c. Equipment will conform to United States Department of Transportation regulations or those of any other government agency having jurisdiction over the use and operation of the Equipment; and

d. Equipment will be returned with undercarriage systems, including any related tracks and rollers of a type, size, and quality standard according to original manufacturing specifications, and will be in good repair and operating condition (ordinary wear and tear excepted).

At Lessee's expense and upon the written request of Lessor, Lessee shall provide written evidence from a mutually acceptable independent party that the Equipment returned meets the specifications above.

Any deficiencies determined by such inspection shall be the responsibility of Lessee.

Upon payment in full of all Rental Payments and all other sums due under this Lease for the Equipment, unless Lessee shall have duly exercised any renewal or purchase option with respect thereto, Lessee will, at its expense, insure and deliver such items of Equipment to Lessor (in increments of unit trains as delivered or as determined by Lessee consistently with industry practice at the time) at Corbin, Kentucky, Savannah, Georgia or Memphis, Tennessee (as directed by Lessor in writing) or at any other place or places (not to exceed three (3) places) in the continental United States as Lessor and Lessee shall mutually agree, for such disposition. In the Event of Default by Lessee under this Lease, Lessee will return all Equipment to Lessor in the same manner. All Equipment so delivered by Lessee to Lessor shall be returned to the designated location in the same condition as when first delivered to Lessee, reasonable wear and tear resulting from authorized use thereof alone excepted.

Should Lessor elect to take possession of the Equipment upon the occurrence and continuation of an Event of Default, Lessee shall deliver possession of such Equipment to Lessor and shall give prompt written notice to the Association of American Railroads and all railroads having possession of any Equipment so to return such Equipment. For the purpose of delivering possession of any Equipment to Lessor as required by the preceding sentence, Lessee will, at its own expense and risk: (i) forthwith and in the usual manner

cause such Equipment to be transported to such storage tracks as Lessee may select, and there assembled; (ii) furnish or arrange for Lessor to store such Equipment on such storage tracks until such Equipment has been sold, leased or otherwise disposed of by Lessor, such period not to exceed thirty (30) days; and (iii) cause such Equipment to be transported to the nearest interchange point or points as shall be designated in writing by Lessor upon any sale, lease or other disposition of all or any of such Equipment. All movement to and storage of each piece of Equipment at storage tracks is to be at the risk and expense of Lessee. All movement from storage tracks is to be at the risk and expense of Lessor.

23. **EVENTS OF DEFAULT:** Lessee shall be in default under this Lease upon the happening of any of the following events or conditions ("Events of Default"):

(a) Default by Lessee in payment of any installment of rent or any other indebtedness or obligation now or hereafter owed by Lessee to Lessor under this Lease and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee; or (b) default in the performance of any other obligation, covenant or liability contained in this Lease, and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee (provided, however, if such default cannot be corrected within the ten (10) day period and does not jeopardize Lessor's ownership of the Equipment, the same shall not constitute an Event of Default if corrective action is instituted by Lessee within such period and diligently pursued until

the default is corrected, and the default is corrected within ninety (90) days after such written notice by Lessor); or (c) any material warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee pursuant to this Lease proves to have been false in any material respect when made or furnished; or (d) the attempted sale or encumbrance by Lessee of any of the Equipment in violation of the terms of this Lease, or the making of any levy, seizure or attachment thereof or thereon by a creditor of Lessee which is not relieved or stayed within a period of sixty (60) consecutive days from the onset thereof by the posting of any required bond or the taking of other appropriate action at law or in equity which shall render the Equipment free of such levy, seizure or attachment pending the final resolution of any claim giving rise thereto; or (e) dissolution, termination of existence, discontinuance of Lessee's business, or appointment with Lessee's consent of a receiver of any part of the property of, or assignment for the benefit of creditors by Lessee or the commencement of any proceedings under any voluntary bankruptcy, reorganization or arrangement laws by Lessee; or (f) in the event of an involuntary bankruptcy or the appointment of a receiver without Lessee's consent, such bankruptcy or appointment continues and is ongoing for a period of sixty (60) consecutive days (provided that an event described in the foregoing clauses (e) and (f) shall not constitute an Event of Default hereunder if and so long as all obligations of the Lessee hereunder shall be duly affirmed by a debtor in possession or assumed by a trustee or trustees or receiver or receivers).

24. **REMEDIES OF LESSOR:** Upon the occurrence of any Event of Default and at any time thereafter (subject to any applicable grace provisions) Lessor may without any further notice exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) declare all unpaid rentals then due or which may have accrued under this Lease to be immediately due and payable; (b) terminate this Lease as to any or all items of Equipment; (c) take possession of the Equipment wherever found without any liability or suit, action or other proceeding by the Lessee and remove the same; (d) cause Lessee at its expense to promptly return the Equipment to Lessor and in the condition set forth in Paragraph 22; (e) sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee; (f) proceed by appropriate action either by law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; (g) exercise any and all rights accruing to a Lessor under any applicable law upon a default by a Lessee. In addition, Lessor shall be entitled to recover immediately as liquidated damages for loss of a bargain and not as a penalty an amount equal to the Stipulated Loss Value for the Equipment (as set forth in Schedule "C" hereto) on the date of Lessor declaring this Lease in default, together with interest as

provided herein. After default at the request of Lessor and to the extent requested by Lessor, Lessee shall comply with the provisions of Paragraph 22 of this Lease. Lessor may, but shall not be required to, sell Equipment at private or public sale, in bulk or in parcels, with or without notice, without having the Equipment present at the place of sale; or Lessor may, but shall not be required to, lease, otherwise dispose of or keep idle all or part of the Equipment; and Lessor may use Lessee's premises for up to thirty (30) days for any or all of the foregoing without liability for rent, costs, damages or otherwise. The proceeds of sale, lease or other disposition, if any, shall be applied in the following order: (1) to all Lessor's costs, charges and expenses incurred in taking, removing, holding, repairing and selling, leasing or otherwise disposing of Equipment; then (2) to the extent not previously paid by Lessee, to pay Lessor the Stipulated Loss Value for Equipment and all other sums, including any unpaid rent then due or which may have accrued under this Lease and any indemnification then remaining unpaid thereon; then (3) to reimburse to Lessee any such sums previously paid by Lessee as liquidated damages; (4) any surplus shall be retained by Lessor; Lessee shall pay any deficiency in (1) and (2) forthwith. None of the remedies under this Lease are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor in law or in equity. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not bar an action for a deficiency as herein provided, and the bringing of an

action or the entry of judgment against the Lessee shall not bar the Lessor's right to repossess any or all items of Equipment. In no event shall Lessor be entitled to recover from Lessee more than the sum of (a) the liquidated damages, as defined above, reduced by the amount realized by Lessor upon disposition of the Equipment (including the present value of any rental or other deferred payments to be received by Lessor), (b) all of Lessor's costs, charges, and expenses incurred in taking, removing, holding, repairing and selling, leasing or otherwise disposing of the Equipment and (c) unpaid rent that has accrued to the date of Lessor's declaring this Lease in default.

25. **SEVERABILITY:** Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition and unenforceability without invalidating the remaining provisions hereof. To the extent permitted by applicable law, Lessee hereby waives any provision of law which prohibits or renders unenforceable any provisions hereof in any respect.

26. **NOTICES:** Any notice or other communication given under this Lease shall be sent to the following addresses:

If to Lessor:

Pitney Bowes Credit Corporation
201 Merritt Seven
Norwalk, CT 06856-5151
Attn: Vice President, Operations
Telecopy No.: (203) 845-5500

If to Lessee:

Mississippi Power Company
2992 West Beach
Gulfport, Mississippi 39501
Attn: Treasurer
Telecopy No.: (601) 865-5658

With a copy to:

Southern Company Services, Inc.
Post Office Box 2625
Birmingham, Alabama 35202
Attn: Fuel Services (Contract Services) Department
Telecopy No.: (205) 877-7288

Any such notice or other communication shall, if not actually delivered prior thereto, be deemed to have been delivered five (5) business days after the date when it shall have been mailed by registered or certified mail, all charges prepaid. Notice or other communications transmitted in any other fashion shall not be deemed delivered until actually delivered at the address or party to which notices may be sent. Each party shall notify the other of a change of address for notices to the other party as herein provided.

27. **AMENDMENTS AND WAIVERS:** This instrument and the Schedules hereto constitute the entire agreement between Lessor and Lessee with respect to the Equipment and the subject matter of this Lease. No term or provision of this Lease may be changed, waived, amended or terminated except by a written agreement signed by both Lessor and Lessee, except that Lessor may insert the serial number of any item of Equipment on the appropriate Lease Schedule after delivery and acceptance thereof (Lessor hereby agreeing in such event promptly to furnish Lessee with a copy of such Lease

Schedule). No express or implied waiver by Lessor of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default whether similar in kind or otherwise.

28. **CONSTRUCTION:** This Lease shall in all respects be governed by and construed in accordance with the laws of the State of New York. The titles of the paragraphs of this Lease are for convenience only and shall not define or limit any of the terms or provisions hereof. Time is of the essence of this Lease in each of its provisions.

29. **PARTIES:** The provisions of this Lease shall be binding upon, and inure to the benefit of, the assigns, representatives and successors of the Lessor and Lessee.

30. **LESSEE'S QUIET ENJOYMENT:** So long as Lessee shall pay and perform all of its obligations and covenants hereunder, its quiet enjoyment of the Equipment shall not be disturbed by Lessor or any party claiming by, through or under Lessor. By acceptance of any assignment of this Lease from Lessor, any assignee hereof agrees, with and for the benefit of Lessee, that as long as Lessee shall perform all of its obligations and covenants hereunder, and notwithstanding any default of Lessor, Lessee's quiet enjoyment shall not be disturbed by such assignee or any party claiming by, through or under such assignee.

31. **EARLY TERMINATION:** Provided Lessee is not in default under this Lease, Lessee shall at any time or from time to time on or after the expiration of three (3) years from the commencement of

the rental term hereunder, in accordance with the provisions set forth below, and upon no less than 120 days' prior written notice to Lessor (hereinafter called "120 Day Notice Period"), have the right to terminate this Lease with respect to all of the Equipment described in any Lease Schedule which, in the good faith judgment of Lessee, becomes obsolete, surplus or uneconomic to the Lessee's needs, provided however, no termination of this Lease shall occur unless and until, during the 120 Day Notice Period (1) Lessee shall: (i) use all commercially reasonable efforts to obtain bids for the cash purchase of such Equipment at its fair market value, such bids to be ON AN AS IS, WHERE IS BASIS, WITHOUT RECOURSE OR WARRANTY TO LESSOR, (ii) certify to Lessor in writing the amount of the highest bid received by Lessee and the name and address of the party submitting such bid (hereinafter called "Lessee's Certificate"), (iii) pay Lessor in cash at the time of delivery of Lessee's Certificate required in (ii) immediately above, the amount, if any, by which the applicable Termination Value (as set forth in Schedule "C" hereto) exceeds the amount of the highest bid as stated in such Lessee's Certificate, and (2) the sale contemplated hereby shall have been consummated as hereinafter set forth. It is understood and agreed that if such contemplated sale is not consummated and, as a result, this Lease is not terminated with respect to Equipment as aforesaid, Lessor will promptly return to Lessee the amount paid pursuant to clause (iii) of the preceding sentence.

After Lessor's receipt of the Lessee's Certificate and payment required and provided the party identified as the highest bidder in

Lessee's Certificate does not withdraw or modify their bid, Lessor shall sell such Equipment WITHOUT RECOURSE OR WARRANTY, to the bidder identified in the Lessee's Certificate for cash in the amount of the full purchase price together with any taxes thereon; and thereupon Lessee shall deliver such Equipment to Lessor in accordance with the terms of this Lease. The total purchase price realized at such sale shall be retained by Lessor and in addition Lessee shall pay Lessor in cash upon demand all reasonable expenses incurred by Lessor in selling such Equipment.

Lessee shall remain liable for all rent payments accruing under this Lease with respect to such Equipment through the date of Lessor's sale of such Equipment. Lessee thereafter shall be relieved of all obligations to pay rent accruing after the date of such sale with respect to such Equipment and this Lease shall thereupon terminate with respect to such Equipment except for such obligations which by the terms of this Lease expressly survive the termination.

Notwithstanding the foregoing, upon written notice to Lessee within the 120 Day Notice Period Lessor may elect not to sell such Equipment to the highest bidder identified in Lessee's Certificate. In such event Lessor shall require Lessee to deliver such Equipment to the Lessor in accordance with the terms of this Lease. Concurrently Lessee will pay Lessor in cash the amount, if any, by which the applicable Termination Value exceeds the amount of the highest bid as stated in Lessee's Certificate. Thereafter, Lessee shall (1) be relieved of all obligations to pay rental payments

accruing under this Lease with respect to such Equipment due and payable after the expiration of the 120 Day Notice Period, (2) remain liable (i) for rent payments due and not paid prior to the expiration of the 120 Day Notice Period under this Lease with respect to such Equipment, and (ii) for all such obligations which, by the terms of this Lease, expressly survive the termination thereof and except as expressly provided above this Lease shall terminate with respect to such Equipment.

Notwithstanding the foregoing, Lessee may at its option, upon written notification given to Lessor prior to Lessor making commitment to sell or release the Equipment to a third party and at least 20 days prior to the expiration of the 120 Day Notice Period, elect to rescind Lessee's notice of termination with respect to such Equipment, whereupon this Lease shall not terminate with respect to such Equipment pursuant to this Paragraph 31, but shall, provided no Event of Default has occurred and is continuing hereunder and Lessor has not by reason thereof terminated this Lease, continue in full force and effect as though no such notice of termination had been given by Lessee. Failure of Lessee to deliver Lessee's Certificate to Lessor prior to the expiration of the 120 Day Notice Period will, subject to the further provisions of this Paragraph 31, be deemed conclusive evidence of Lessee's election to rescind its notice of termination.

Notwithstanding the foregoing, Lessee shall have the right to terminate this Lease with respect to any or all of the Equipment as aforesaid in the event that no bids for the purchase of such Equipment are obtained or the sale pursuant thereto is not consummated,

upon not less than 20 days' prior written notice to Lessor and payment to Lessor in cash of the applicable Termination Value with respect to such Equipment. Upon Lessee's exercise of such right and payment as aforesaid, the related Equipment shall belong to Lessor and Lessee shall have no right or interest therein.

32. **TAX INDEMNITY:** Lessee acknowledges that the rent payments provided for in Paragraph 4 are computed on the assumptions that (a) the Lessor will be entitled to depreciation deductions, with respect to the full cost of each item of Equipment, allowed under Sections 167(a) and 168(a) of the Internal Revenue Code of 1986 as amended (the "Code") as in effect on the date hereof, utilizing the applicable (1) depreciation method provided in Section 168(b)(1)(A) and (B) of the Code; (2) convention described in Section 168(d)(1) of the Code; and (3) recovery period and classification of 7 years as determined under Section 168(c) and (e) of the Code, commencing in Lessor's current taxable year and cost recovery deductions or depreciation deductions for state or local income purposes (such deductions being referred to hereinafter as "Tax Benefits") and (b) all amounts includable in the gross income of Lessor with respect to the Equipment will be treated as derived from or allocable to sources within the United States.

Lessee represents that the coal hopper cars comprising the Equipment, upon delivery and acceptance thereof, will constitute 7-year property within the meaning of Section 168(e) of the Code.

If as a direct result of any act, omission, or misrepresentation of Lessee Tax Benefits are lost, disallowed, eliminated, reduced,

recaptured, compromised, delayed or otherwise made unavailable to Lessor (any of the foregoing being hereafter called a "Loss"), Lessee shall promptly pay to Lessor on demand, as additional rent, an amount which after deduction of all taxes required to be paid by Lessor (or Lessor's parent company, Pitney Bowes Inc.) in respect of the receipt of any amount pursuant to this sentence under the laws of any Federal, state or local government or taxing authority of the United States (i.e., on an after-tax basis), shall be equal to the sum of (i) the aggregate amount of additional Federal, state and local income or franchise taxes payable from time-to-time (after taking into account the reduction in Federal income tax liability of Lessor (or Lessor's parent company, Pitney Bowes Inc.) resulting from the deduction of the additional state or local income taxes payable as a result of such Loss) as a result of any such Loss, plus (ii) the aggregate amount of any interest and penalties payable by Lessor (or Lessor's parent company, Pitney Bowes Inc.) from time-to-time as a result of any such Loss, plus (iii) all reasonable costs (including, without limitation, court costs and reasonable attorneys' fees) of Lessor incurred with respect to the collection of any additional rent payable pursuant to this Paragraph 32. The amount payable to Lessor shall be paid no later than 15 days after receipt of a written demand therefor from Lessor accompanied by a written statement describing in reasonable detail such Loss and the computation of the amount so payable, but not prior to the payment by Lessor of the additional taxes that become due as a result of the Loss. The repair, replacement or destruction of any item of

Equipment, not resulting for any reason in payment of any Stipulated Loss Value therefor, shall constitute the act of Lessee for purposes of this Paragraph 32. In the event of any act, omission or misrepresentation by Lessee, if any item of income credit or deduction with respect to the Equipment shall not be treated as derived from, or allocable to, sources within the United States for a given taxable year (any such event hereinafter referred to as a "Foreign Loss"), then Lessee shall pay to Lessor as an Indemnity, on the next succeeding rent payment date, or in any event within fifteen (15) days after written demand to Lessee by Lessor (but not prior to the payment by Lessor of the additional taxes that become due as a result of the Foreign Loss), such amount as, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such amounts under the laws of any Federal, state or local government or taxing authority of the United States, shall equal the sum of: (i) the excess of (x) the foreign tax credits which Lessor would have been entitled to for such year had no such Foreign Loss occurred over (y) the foreign tax credit to which Lessor was limited as a result of such Foreign Loss and (ii) the amount of any interest, penalties or additions to tax payable as a result of such Foreign Loss. For purposes of this Paragraph 32, the term "Lessor" shall include the affiliated taxpayers group within the meaning of Section 1504 of the Code of which Lessor is a member. The provisions of this Paragraph 32 shall survive the expiration or earlier termination of this Lease for any reason.


If the Lessee so requests, the Lessor's calculation of the amount or amounts of any indemnity payable pursuant to this Paragraph 32 shall be reviewed by Arthur Andersen & Company or such other independent accounting firm upon which the parties may agree. In order to facilitate such review, the Lessor shall provide to such accountants all information reasonably necessary for such review, including any computer program used by the Lessor to calculate such amount or amounts. Such information shall be for the confidential use of such accountants and shall not be disclosed to the Lessee or to any other person. The Lessee shall be responsible for all costs and expenses of such review. The determinations made pursuant to such review shall be conclusive and binding on the Lessee and the Lessor with respect to any disagreement they may have concerning any such calculation.

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF AN EXECUTED AND TRUE COPY OF THIS LEASE AND THAT IT IS NON-CANCELLABLE FOR THE ORIGINAL RENTAL TERM EXCEPT AS PROVIDED FOR IN PARAGRAPH 31 - "EARLY TERMINATION" AS CONTAINED HEREIN.

IN WITNESS WHEREOF, the Lessor and Lessee have each caused this Lease to be duly executed.

LESSOR:

PITNEY BOWES CREDIT CORPORATION

By: 
Title: L.D. OSMANSKI
Vice President
Operations

[Signatures continued on next page]

[Signatures continued from previous page]

LESSEE:

MISSISSIPPI POWER COMPANY

By:

Title: Treasurer

SCHEDULE "A"

RAILROAD EQUIPMENT

<u>Type</u>	<u>Quantity</u>
Quick dump aluminum coal hopper cars	495
Aluminum body replacement parts	20 car sets

SCHEDULE "B"

LEASE SCHEDULE

Master Equipment
Lease Agreement No.: _____

Master Equipment
Lease Agreement Date: 9/22/88

Lease Schedule No.: _____ Year Class Recovery Property

Lease Schedule Date: _____

Between PITNEY BOWES CREDIT CORPORATION (Lessor) and MISSISSIPPI
POWER COMPANY (Lessee).

1. Equipment Description

<u>Quantity</u>	<u>Manufacturer</u>	<u>Model</u>	<u>Serial Number</u>
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2. Equipment Location

The above Equipment is to be located within the Continental
United States.

3. Billing Address

Mississippi Power Company
2992 West Beach
Gulfport, Mississippi 39501
Attn: Treasurer

4. Primary Rental Term

Twenty-two (22) years commencing February 1, 1989.

5. Interim Rental Term

From and including the date Lessee accepts each item of the
above-described Equipment for lease under this Lease Schedule to
the commencement of the Primary Rental Term.

6. Rental Payments.

- A). Rental Payments for the Interim Rental Term will be payable February 1, 1989 in the amount equivalent to the product of 10.447421 multiplied by Lessor's Cost for all items of Equipment under this Lease Schedule multiplied by the number of days in the Interim Rental Term.
- B). Rental Payments for the Primary Rental Term are payable in consecutive installments on each Lease Period Date as set forth in the Rental Payment Attachment hereto commencing February 1, 1990.

The amount of the Rental Payments during the Primary Rental Term shall be in an amount determined by multiplying Lessor's Cost for all items of Equipment by the factor set forth in the Rental Payment Attachment hereto for the applicable Lease Period Date.

The Rental Payments set forth above are in addition to other amounts that may be payable by Lessee under the Master Equipment Lease Agreement.

7. Lessor's Cost: \$_____.

8. Miscellaneous

The Rental Payment factors set forth above are subject to adjustment in accordance with the Master Equipment Lease Agreement, as amended.

9. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR, IN ACCORDANCE WITH PARAGRAPH 27 OF THE LEASE AGREEMENT.

ACCEPTED BY:

LESSOR:

PITNEY BOWES CREDIT CORPORATION

BY: _____

Name: _____

Title: _____

Date: _____

LESSEE:

MISSISSIPPI POWER COMPANY

BY: _____

Name: _____

Title: _____

Date: _____

RENTAL PAYMENT ATTACHMENT TO LEASE SCHEDULE NO. _____
DATED _____ BETWEEN
PITNEY BOWES CREDIT CORPORATION AS LESSOR
AND MISSISSIPPI POWER COMPANY AS LESSEE

<u>Lease Period Date</u>	<u>Factor</u>	<u>Lease Period Date</u>	<u>Factor</u>
February 1, 1990	9.403234	February 1, 2001	11.491608
February 1, 1991	9.403234	February 1, 2002	11.491608
February 1, 1992	9.403234	February 1, 2003	11.491608
February 1, 1993	9.403234	February 1, 2004	11.491608
February 1, 1994	9.403234	February 1, 2005	11.491608
February 1, 1995	18.805456	February 1, 2006	11.491608
February 1, 1996	9.403234	February 1, 2007	11.491608
February 1, 1997	9.403234	February 1, 2008	11.491608
February 1, 1998	9.403234	February 1, 2009	11.491608
February 1, 1999	9.403234	February 1, 2010	11.491608
February 1, 2000	11.491608		

LESSOR:

PITNEY BOWES CREDIT CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

LESSEE:

MISSISSIPPI POWER COMPANY

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE "C"

STIPULATED LOSS AND TERMINATION VALUES

<u>DATE</u>	<u>PERCENTAGE OF LESSOR'S COST</u>
02/01/89	109.54
08/01/89	115.37
02/01/90	112.22
08/01/90	117.63
02/01/91	114.10
08/01/91	119.17
02/01/92	115.34
08/01/92	120.15
02/01/93	116.12
08/01/93	120.74
02/01/94	116.51
08/01/94	120.93
02/01/95	115.80
08/01/95	110.81
02/01/96	114.34
08/01/96	109.25
02/01/97	112.65
08/01/97	107.43
02/01/98	110.81
08/01/98	105.54
02/01/99	108.82
08/01/99	103.47
02/01/2000	106.53
08/01/2000	99.08
02/01/2001	101.93
08/01/2001	94.31
02/01/2002	96.97
08/01/2002	89.16
02/01/2003	91.64
08/01/2003	83.63
02/01/2004	85.89
08/01/2004	77.70
02/01/2005	79.70
08/01/2005	71.29
02/01/2006	73.04
08/01/2006	64.39
02/01/2007	65.86
08/01/2007	56.82
02/01/2008	48.90
08/01/2008	50.54
02/01/2009	40.29
08/01/2009	41.62
02/01/2010	31.01
08/01/2010	32.00

SCHEDULE "D"

TO: PITNEY BOWES CREDIT CORPORATION MASTER EQUIPMENT
LEASE AGREEMENT NO. _____

WE HEREBY ACKNOWLEDGE:

1. Complete and satisfactory delivery and installation of all equipment described in the Lease Schedule
No. _____ between us dated _____, 19__;
2. Such equipment is in operating condition and is acceptable to the undersigned;
3. If programming is required such equipment has been properly programmed to the extent agreed upon;
4. It is understood that Pitney Bowes Credit Corporation is not responsible for equipment performance or service of equipment and that lease payments shall continue regardless of performance or condition of equipment.

Lessee

Signature of Witness

By: _____

Title: _____
(If Corporation, have signed by
President, Vice-President or
Treasurer. If Owner or Partner,
state which.)

DATE: _____

CORPORATE FORM OF ACKNOWLEDGEMENT

State of Connecticut)
) SS:
County of Fairfield)

On this 22nd day of September, 1988, before me personally
appeared J. C. Gwin to me personally known, who being by me duly
sworn, says that he is the Treasurer of
Mississippi Power Company, that the seal affixed to the foregoing
instrument is the corporate seal of said corporation, that said
instrument was signed and sealed on behalf of said corporation by
authority of its Board of Directors, and he acknowledged that the
execution of the foregoing instrument was the free act and deed of said
corporation.

Ann D. Lloyd
Signature of Notary Public

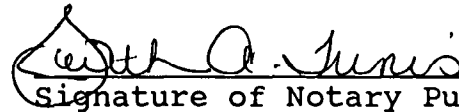
My commission expires 2-12-91

Seal

CORPORATE FORM OF ACKNOWLEDGEMENT

State of Connecticut)
) SS:
County of Fairfield)

On this 22nd day of September , 1988, before me personally appeared L.D. Osmanski , to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT, OPERATIONS of PITNEY BOWES CREDIT CORPORATION , that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Signature of Notary Public

My commission expires March 31, 1991

Seal

SCHEDULE "B"

LEASE SCHEDULE

Master Equipment
Lease Agreement No.: 0053215

Master Equipment
Lease Agreement Date: 9/22/88

Lease Schedule No.: 801 7 Year Class Recovery Property

Lease Schedule Date: _____

Between PITNEY BOWES CREDIT CORPORATION (Lessor) and MISSISSIPPI POWER
COMPANY (Lessee).

1. Equipment Description

100 (one hundred) Trinity Quick Dump Aluminum Coal Hopper Cars

Registration Numbers:

DEGX-88001	DEGX-88026	DEGX-88051	DEGX-88076
DEGX-88002	DEGX-88027	DEGX-88052	DEGX-88077
DEGX-88003	DEGX-88028	DEGX-88053	DEGX-88078
DEGX-88004	DEGX-88029	DEGX-88054	DEGX-88079
DEGX-88005	DEGX-88030	DEGX-88055	DEGX-88080
DEGX-88006	DEGX-88031	DEGX-88056	DEGX-88081
DEGX-88007	DEGX-88032	DEGX-88057	DEGX-88082
DEGX-88008	DEGX-88033	DEGX-88058	DEGX-88083
DEGX-88009	DEGX-88034	DEGX-88059	DEGX-88084
DEGX-88010	DEGX-88035	DEGX-88060	DEGX-88085
DEGX-88011	DEGX-88036	DEGX-88061	DEGX-88086
DEGX-88012	DEGX-88037	DEGX-88062	DEGX-88087
DEGX-88013	DEGX-88038	DEGX-88063	DEGX-88088
DEGX-88014	DEGX-88039	DEGX-88064	DEGX-88089
DEGX-88015	DEGX-88040	DEGX-88065	DEGX-88090
DEGX-88016	DEGX-88041	DEGX-88066	DEGX-88091
DEGX-88017	DEGX-88042	DEGX-88067	DEGX-88092
DEGX-88018	DEGX-88043	DEGX-88068	DEGX-88093
DEGX-88019	DEGX-88044	DEGX-88069	DEGX-88094
DEGX-88020	DEGX-88045	DEGX-88070	DEGX-88095
DEGX-88021	DEGX-88046	DEGX-88071	DEGX-88096
DEGX-88022	DEGX-88047	DEGX-88072	DEGX-88097
DEGX-88023	DEGX-88048	DEGX-88073	DEGX-88098
DEGX-88024	DEGX-88049	DEGX-88074	DEGX-88099
DEGX-88025	DEGX-88050	DEGX-88075	DEGX-88100

2. Equipment Location

The above Equipment is to be located within the Continental United States.

3. Billing Address

Mississippi Power Company
2992 West Beach
Gulfport, Mississippi 39501
Attn: Treasurer

4. Primary Rental Term

Twenty-two (22) years commencing February 1, 1989.

5. Interim Rental Term

From and including the date Lessee accepts each item of the above-described Equipment for lease under this Lease Schedule to the commencement of the Primary Rental Term.

6. Rental Payments.

A). Rental Payments for the Interim Rental Term will be payable February 1, 1989 in the amount equivalent to the product of 10.447421% multiplied by Lessor's Cost for all items of Equipment under this Lease Schedule multiplied by the number of days in the Interim Rental Term. (Interim interest will be calculated on a 30/360 day basis.)

B). Rental Payments for the Primary Rental Term are payable in consecutive installments on each Lease Period Date as set forth in the Rental Payment Attachment hereto commencing February 1, 1990.

The amount of the Rental Payments during the Primary Rental Term shall be in an amount determined by multiplying Lessor's Cost for all items of Equipment by the factor set forth in the Rental Payment Attachment hereto for the applicable Lease Period Date.

The Rental Payments set forth above are in addition to other amounts that may be payable by Lessee under the Master Equipment Lease Agreement.

7. Lessor's Cost: \$5,115,553.44

8. Miscellaneous

The Rental Payment factors set forth above are subject to adjustment in accordance with the Master Equipment Lease Agreement, as amended.

9. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR, IN ACCORDANCE WITH PARAGRAPH 27 OF THE LEASE AGREEMENT.

ACCEPTED BY:

LESSOR:

PITNEY BOWES CREDIT CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

LESSEE:

MISSISSIPPI POWER COMPANY

BY: J. C. Hewitt

Name: J. C. Hewitt

Title: Treasurer

Date: 7/22/88

SCHEDULE "B"

LEASE SCHEDULE

Master Equipment
Lease Agreement No.: 0053215

Master Equipment
Lease Agreement Date: 9/22/88

Lease Schedule No.: 802 7 Year Class Recovery Property

Lease Schedule Date: _____

Between PITNEY BOWES CREDIT CORPORATION (Lessor) and MISSISSIPPI POWER COMPANY (Lessee).

1. Equipment Description

100 (one hundred) Trinity Quick Dump Aluminum Coal Hopper Cars

Registration Numbers:

DEGX-88101	DEGX-88126	DEGX-88151	DEGX-88176
DEGX-88102	DEGX-88127	DEGX-88152	DEGX-88177
DEGX-88103	DEGX-88128	DEGX-88153	DEGX-88178
DEGX-88104	DEGX-88129	DEGX-88154	DEGX-88179
DEGX-88105	DEGX-88130	DEGX-88155	DEGX-88180
DEGX-88106	DEGX-88131	DEGX-88156	DEGX-88181
DEGX-88107	DEGX-88132	DEGX-88157	DEGX-88182
DEGX-88108	DEGX-88133	DEGX-88158	DEGX-88183
DEGX-88109	DEGX-88134	DEGX-88159	DEGX-88184
DEGX-88110	DEGX-88135	DEGX-88160	DEGX-88185
DEGX-88111	DEGX-88136	DEGX-88161	DEGX-88186
DEGX-88112	DEGX-88137	DEGX-88162	DEGX-88187
DEGX-88113	DEGX-88138	DEGX-88163	DEGX-88188
DEGX-88114	DEGX-88139	DEGX-88164	DEGX-88189
DEGX-88115	DEGX-88140	DEGX-88165	DEGX-88190
DEGX-88116	DEGX-88141	DEGX-88166	DEGX-88191
DEGX-88117	DEGX-88142	DEGX-88167	DEGX-88192
DEGX-88118	DEGX-88143	DEGX-88168	DEGX-88193
DEGX-88119	DEGX-88144	DEGX-88169	DEGX-88194
DEGX-88120	DEGX-88145	DEGX-88170	DEGX-88195
DEGX-88121	DEGX-88146	DEGX-88171	DEGX-88196
DEGX-88122	DEGX-88147	DEGX-88172	DEGX-88197
DEGX-88123	DEGX-88148	DEGX-88173	DEGX-88198
DEGX-88124	DEGX-88149	DEGX-88174	DEGX-88199
DEGX-88125	DEGX-88150	DEGX-88175	DEGX-88200

2. Equipment Location

The above Equipment is to be located within the Continental United States.

3. Billing Address

Mississippi Power Company
2992 West Beach
Gulfport, Mississippi 39501
Attn: Treasurer

4. Primary Rental Term

Twenty-two (22) years commencing February 1, 1989.

5. Interim Rental Term

From and including the date Lessee accepts each item of the above-described Equipment for lease under this Lease Schedule to the commencement of the Primary Rental Term.

6. Rental Payments.

- A) Rental Payments for the Interim Rental Term will be payable February 1, 1989 in the amount equivalent to the product of 10.4474212 multiplied by Lessor's Cost for all items of Equipment under this Lease Schedule multiplied by the number of days in the Interim Rental Term. (Interim interest will be calculated on a 30/360 day basis.)
- B) Rental Payments for the Primary Rental Term are payable in consecutive installments on each Lease Period Date as set forth in the Rental Payment Attachment hereto commencing February 1, 1990.

The amount of the Rental Payments during the Primary Rental Term shall be in an amount determined by multiplying Lessor's Cost for all items of Equipment by the factor set forth in the Rental Payment Attachment hereto for the applicable Lease Period Date.

The Rental Payments set forth above are in addition to other amounts that may be payable by Lessee under the Master Equipment Lease Agreement.

7. Lessor's Cost: \$5,099,700.00

8. Miscellaneous

The Rental Payment factors set forth above are subject to adjustment in accordance with the Master Equipment Lease Agreement, as amended.

9. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR, IN ACCORDANCE WITH PARAGRAPH 27 OF THE LEASE AGREEMENT.

ACCEPTED BY:

LESSOR:

PITNEY BOWES CREDIT CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

LESSEE:

MISSISSIPPI POWER COMPANY

BY: J. C. Gowin

Name: J. C. Gowin

Title: Treasurer

Date: 9/22/88

SCHEDULE "B"

LEASE SCHEDULE

Master Equipment
Lease Agreement No.: 0053215

Master Equipment
Lease Agreement Date: 9/22/88

Lease Schedule No.: 803 7 Year Class Recovery Property

Lease Schedule Date: _____

Between PITNEY BOWES CREDIT CORPORATION (Lessor) and MISSISSIPPI POWER COMPANY (Lessee).

1. Equipment Description

100 (one hundred) Trinity Quick Dump Aluminum Coal Hopper Cars

Registration Numbers:

DEGX-88201	DEGX-88226	DEGX-88251	DEGX-88276
DEGX-88202	DEGX-88227	DEGX-88252	DEGX-88277
DEGX-88203	DEGX-88228	DEGX-88253	DEGX-88278
DEGX-88204	DEGX-88229	DEGX-88254	DEGX-88279
DEGX-88205	DEGX-88230	DEGX-88255	DEGX-88280
DEGX-88206	DEGX-88231	DEGX-88256	DEGX-88281
DEGX-88207	DEGX-88232	DEGX-88257	DEGX-88282
DEGX-88208	DEGX-88233	DEGX-88258	DEGX-88283
DEGX-88209	DEGX-88234	DEGX-88259	DEGX-88284
DEGX-88210	DEGX-88235	DEGX-88260	DEGX-88285
DEGX-88211	DEGX-88236	DEGX-88261	DEGX-88286
DEGX-88212	DEGX-88237	DEGX-88262	DEGX-88287
DEGX-88213	DEGX-88238	DEGX-88263	DEGX-88288
DEGX-88214	DEGX-88239	DEGX-88264	DEGX-88289
DEGX-88215	DEGX-88240	DEGX-88265	DEGX-88290
DEGX-88216	DEGX-88241	DEGX-88266	DEGX-88291
DEGX-88217	DEGX-88242	DEGX-88267	DEGX-88292
DEGX-88218	DEGX-88243	DEGX-88268	DEGX-88293
DEGX-88219	DEGX-88244	DEGX-88269	DEGX-88294
DEGX-88220	DEGX-88245	DEGX-88270	DEGX-88295
DEGX-88221	DEGX-88246	DEGX-88271	DEGX-88296
DEGX-88222	DEGX-88247	DEGX-88272	DEGX-88297
DEGX-88223	DEGX-88248	DEGX-88273	DEGX-88298
DEGX-88224	DEGX-88249	DEGX-88274	DEGX-88299
DEGX-88225	DEGX-88250	DEGX-88275	DEGX-88300

2. Equipment Location

The above Equipment is to be located within the Continental United States.

3. Billing Address

Mississippi Power Company
2992 West Beach
Gulfport, Mississippi 39501
Attn: Treasurer

4. Primary Rental Term

Twenty-two (22) years commencing February 1, 1989.

5. Interim Rental Term

From and including the date Lessee accepts each item of the above-described Equipment for lease under this Lease Schedule to the commencement of the Primary Rental Term.

6. Rental Payments.

- A). Rental Payments for the Interim Rental Term will be payable February 1, 1989 in the amount equivalent to the product of 10.447421% multiplied by Lessor's Cost for all items of Equipment under this Lease Schedule multiplied by the number of days in the Interim Rental Term. (Interim interest will be calculated on a 30/360 day basis.)
- B). Rental Payments for the Primary Rental Term are payable in consecutive installments on each Lease Period Date as set forth in the Rental Payment Attachment hereto commencing February 1, 1990.

The amount of the Rental Payments during the Primary Rental Term shall be in an amount determined by multiplying Lessor's Cost for all items of Equipment by the factor set forth in the Rental Payment Attachment hereto for the applicable Lease Period Date.

The Rental Payments set forth above are in addition to other amounts that may be payable by Lessee under the Master Equipment Lease Agreement.

7. Lessor's Cost: \$5,099,700.00

8. Miscellaneous

The Rental Payment factors set forth above are subject to adjustment in accordance with the Master Equipment Lease Agreement, as amended.

9. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR, IN ACCORDANCE WITH PARAGRAPH 27 OF THE LEASE AGREEMENT.

ACCEPTED BY:

LESSOR:

PITNEY BOWES CREDIT CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

LESSEE:

MISSISSIPPI POWER COMPANY

BY: J C Gevin

Name: J C Gevin

Title: Treasurer

Date: 9/22/88

SCHEDULE "B"

LEASE SCHEDULE

Master Equipment
Lease Agreement No.: 0053215

Master Equipment
Lease Agreement Date: 9/22/88

Lease Schedule No.: 804 7 Year Class Recovery Property

Lease Schedule Date: _____

Between PITNEY BOWES CREDIT CORPORATION (Lessor) and MISSISSIPPI POWER
COMPANY (Lessee).

1. Equipment Description

100 (one hundred) Trinity Quick Dump Aluminum Coal Hopper Cars

Registration Numbers:

DEGX-88301	DEGX-88326	DEGX-88351	DEGX-88376
DEGX-88302	DEGX-88327	DEGX-88352	DEGX-88377
DEGX-88303	DEGX-88328	DEGX-88353	DEGX-88378
DEGX-88304	DEGX-88329	DEGX-88354	DEGX-88379
DEGX-88305	DEGX-88330	DEGX-88355	DEGX-88380
DEGX-88306	DEGX-88331	DEGX-88356	DEGX-88381
DEGX-88307	DEGX-88332	DEGX-88357	DEGX-88382
DEGX-88308	DEGX-88333	DEGX-88358	DEGX-88383
DEGX-88309	DEGX-88334	DEGX-88359	DEGX-88384
DEGX-88310	DEGX-88335	DEGX-88360	DEGX-88385
DEGX-88311	DEGX-88336	DEGX-88361	DEGX-88386
DEGX-88312	DEGX-88337	DEGX-88362	DEGX-88387
DEGX-88313	DEGX-88338	DEGX-88363	DEGX-88388
DEGX-88314	DEGX-88339	DEGX-88364	DEGX-88389
DEGX-88315	DEGX-88340	DEGX-88365	DEGX-88390
DEGX-88316	DEGX-88341	DEGX-88366	DEGX-88391
DEGX-88317	DEGX-88342	DEGX-88367	DEGX-88392
DEGX-88318	DEGX-88343	DEGX-88368	DEGX-88393
DEGX-88319	DEGX-88344	DEGX-88369	DEGX-88394
DEGX-88320	DEGX-88345	DEGX-88370	DEGX-88395
DEGX-88321	DEGX-88346	DEGX-88371	DEGX-88396
DEGX-88322	DEGX-88347	DEGX-88372	DEGX-88397
DEGX-88323	DEGX-88348	DEGX-88373	DEGX-88398
DEGX-88324	DEGX-88349	DEGX-88374	DEGX-88399
DEGX-88325	DEGX-88350	DEGX-88375	DEGX-88400

2. Equipment Location

The above Equipment is to be located within the Continental United States.

3. Billing Address

Mississippi Power Company
2992 West Beach
Gulfport, Mississippi 39501
Attn: Treasurer

4. Primary Rental Term

Twenty-two (22) years commencing February 1, 1989.

5. Interim Rental Term

From and including the date Lessee accepts each item of the above-described Equipment for lease under this Lease Schedule to the commencement of the Primary Rental Term.

6. Rental Payments.

- A). Rental Payments for the Interim Rental Term will be payable February 1, 1989 in the amount equivalent to the product of 10.447421% multiplied by Lessor's Cost for all items of Equipment under this Lease Schedule multiplied by the number of days in the Interim Rental Term. (Interim interest will be calculated on a 30/360 day basis.)
- B). Rental Payments for the Primary Rental Term are payable in consecutive installments on each Lease Period Date as set forth in the Rental Payment Attachment hereto commencing February 1, 1990.

The amount of the Rental Payments during the Primary Rental Term shall be in an amount determined by multiplying Lessor's Cost for all items of Equipment by the factor set forth in the Rental Payment Attachment hereto for the applicable Lease Period Date.

The Rental Payments set forth above are in addition to other amounts that may be payable by Lessee under the Master Equipment Lease Agreement.

7. Lessor's Cost: \$5,099,700.00

8. Miscellaneous

The Rental Payment factors set forth above are subject to adjustment in accordance with the Master Equipment Lease Agreement, as amended.

9. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR, IN ACCORDANCE WITH PARAGRAPH 27 OF THE LEASE AGREEMENT.

ACCEPTED BY:

LESSOR:

PITNEY BOWES CREDIT CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

LESSEE:

MISSISSIPPI POWER COMPANY

By: J. L. Gwin

Name: J. L. Gwin

Title: Treasurer

Date: 9/22/88

SCHEDULE "B"

LEASE SCHEDULE

Master Equipment

Lease Agreement No.: 0053215

Master Equipment

Lease Agreement Date: 9/22/88

Lease Schedule No.: 805 7 Year Class Recovery Property

Lease Schedule Date: _____

Between PITNEY BOWES CREDIT CORPORATION (Lessor) and MISSISSIPPI POWER COMPANY (Lessee).

1. Equipment Description

95 (ninety-five) Trinity Quick Dump Aluminum Coal Hopper Cars
20 (twenty) Aluminum Body Replacement Car Sets Parts

Registration Numbers:

DEGX-88401	DEGX-88426	DEGX-88451	DEGX-88476
DEGX-88402	DEGX-88427	DEGX-88452	DEGX-88477
DEGX-88403	DEGX-88428	DEGX-88453	DEGX-88478
DEGX-88404	DEGX-88429	DEGX-88454	DEGX-88479
DEGX-88405	DEGX-88430	DEGX-88455	DEGX-88480
DEGX-88406	DEGX-88431	DEGX-88456	DEGX-88481
DEGX-88407	DEGX-88432	DEGX-88457	DEGX-88482
DEGX-88408	DEGX-88433	DEGX-88458	DEGX-88483
DEGX-88409	DEGX-88434	DEGX-88459	DEGX-88484
DEGX-88410	DEGX-88435	DEGX-88460	DEGX-88485
DEGX-88411	DEGX-88436	DEGX-88461	DEGX-88486
DEGX-88412	DEGX-88437	DEGX-88462	DEGX-88487
DEGX-88413	DEGX-88438	DEGX-88463	DEGX-88488
DEGX-88414	DEGX-88439	DEGX-88464	DEGX-88489
DEGX-88415	DEGX-88440	DEGX-88465	DEGX-88490
DEGX-88416	DEGX-88441	DEGX-88466	DEGX-88491
DEGX-88417	DEGX-88442	DEGX-88467	DEGX-88492
DEGX-88418	DEGX-88443	DEGX-88468	DEGX-88493
DEGX-88419	DEGX-88444	DEGX-88469	DEGX-88494
DEGX-88420	DEGX-88445	DEGX-88470	DEGX-88495
DEGX-88421	DEGX-88446	DEGX-88471	
DEGX-88422	DEGX-88447	DEGX-88472	
DEGX-88423	DEGX-88448	DEGX-88473	
DEGX-88424	DEGX-88449	DEGX-88474	
DEGX-88425	DEGX-88450	DEGX-88475	

2. Equipment Location

The above Equipment is to be located within the Continental United States.

3. Billing Address

Mississippi Power Company
2992 West Beach
Gulfport, Mississippi 39501
Attn: Treasurer

4. Primary Rental Term

Twenty-two (22) years commencing February 1, 1989.

5. Interim Rental Term

From and including the date Lessee accepts each item of the above-described Equipment for lease under this Lease Schedule to the commencement of the Primary Rental Term.

6. Rental Payments.

A). Rental Payments for the Interim Rental Term will be payable February 1, 1989 in the amount equivalent to the product of 10.4474217 multiplied by Lessor's Cost for all items of Equipment under this Lease Schedule multiplied by the number of days in the Interim Rental Term. (Interim interest will be calculated on a 30/360 day basis.)

B). Rental Payments for the Primary Rental Term are payable in consecutive installments on each Lease Period Date as set forth in the Rental Payment Attachment hereto commencing February 1, 1990.

The amount of the Rental Payments during the Primary Rental Term shall be in an amount determined by multiplying Lessor's Cost for all items of Equipment by the factor set forth in the Rental Payment Attachment hereto for the applicable Lease Period Date.

The Rental Payments set forth above are in addition to other amounts that may be payable by Lessee under the Master Equipment Lease Agreement.

7. Lessor's Cost: \$5,164,365.00

8. Miscellaneous

The Rental Payment factors set forth above are subject to adjustment in accordance with the Master Equipment Lease Agreement, as amended.

9. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR, IN ACCORDANCE WITH PARAGRAPH 27 OF THE LEASE AGREEMENT.

ACCEPTED BY:

LESSOR:

PITNEY BOWES CREDIT CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

LESSEE:

MISSISSIPPI POWER COMPANY

BY: J. C. Hewitt

Name: J. C. Hewitt

Title: Treasurer

Date: 9/22/88